



U.S. DEPARTMENT OF ENERGY  
Office of Electricity Delivery and Energy Reliability  
Infrastructure Security and Energy Restoration

# ENERGY ASSURANCE DAILY

Monday Evening, July 08, 2013

## Major Developments

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### **Runaway Oil Tanker Train Derails, Causes Massive Explosion in Quebec July 6; Bakken Crude Oil Aboard Was Headed for Irving's Saint John, New Brunswick Refinery**

A runaway tanker train hauling 72 cars of Bakken crude oil derailed in Lac-Megantic, Quebec early Saturday, causing a massive explosion that killed at least five people, with 40 people still missing, and destroyed 30 buildings. Irving Oil Ltd. confirmed Sunday that the 50,000 barrels of crude oil aboard the train had been destined for its 300,000 b/d refinery in Saint John, New Brunswick. The train, which is operated by Montreal, Maine & Atlantic (MMA) Railway, was parked at Nantes station Friday night, but the tanker cars came loose early Saturday morning, sped downhill nearly 7 miles into the town of Lac-Megantic, near the Maine border, and derailed, with at least 5 of the cars exploding. MMA Railway said Sunday that the engineer on duty had parked the train in Nantes on Friday night and left one locomotive running to ensure the air brakes worked properly. The engineer then went to a hotel during a regularly scheduled shift change. Later that night, however, the locomotive of train was shut down by crews responding to a "good-sized" fire in the motor of locomotive, probably caused by a fuel or oil line break in the engine. A fire official said protocol calls for officials to shut down an engine to prevent fuel from circulating into the fire. Shutting the locomotive down may have resulted in the release of the locomotive's air brakes, which were holding the train in place.

[http://www.mmarail.com/sections/news/files/MMA\\_7.7.2013\\_Press%20Release\\_1415.EST.pdf](http://www.mmarail.com/sections/news/files/MMA_7.7.2013_Press%20Release_1415.EST.pdf)

[http://irvingoil.com/newsroom/news\\_releases/declaration\\_sure\\_la\\_tragedies\\_de\\_lac\\_megantic/](http://irvingoil.com/newsroom/news_releases/declaration_sure_la_tragedies_de_lac_megantic/)

<http://www.chicagotribune.com/news/sns-rt-us-train-20130706.0,5046014.story>

<http://www.usatoday.com/story/news/world/2013/07/08/40-still-missing-in-deadly-canada-oil-train-crash/2497875/>

<http://www.reuters.com/article/2013/07/08/us-train-maine-idUSBRE9670PU20130708>

## Electricity

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### **Forest Fires Impact Major Power Line, Cut Power to 500,000 Hydro-Quebec Customers in Canada July 4**

Forest fires caused about 500,000 Hydro-Quebec customers to lose power Thursday. According to the company, smoke from the forest fires in northern Quebec had prompted a major transmission line to seize up near James Bay, causing a cascading effect. Service was restored later that night.

[http://www.huffingtonpost.ca/2013/07/04/quebec-forest-fires-blackouts\\_n\\_3548033.html](http://www.huffingtonpost.ca/2013/07/04/quebec-forest-fires-blackouts_n_3548033.html)

### **Con Edison Reduces Voltage to 61,000 Customers in Several Staten Island, New York Neighborhoods July 6 Due to Equipment Problems Caused by Manhole Fires**

Con Edison reduced voltage to 61,000 customers in the Staten Island neighborhoods of St. George, Tompkinsville, Park Hill, Stapleton, Grant City, Fox Hills, New Dorp, Dongan Hills, Midland Beach, and Rosebank due to problems on electrical equipment caused by manhole fires. The voltage was reduced by 8 percent as a safety measure to protect equipment and maintain service as crews worked on repairing the problem. Con Edison asked customers in those areas not to use appliances such as washers, dryers, air conditioners and other energy-intensive equipment and to turn off lights and televisions when not needed until the equipment problems are resolved. On Sunday, while in the midst of a heat wave, Con Edison hit a record high for overall electric use at 11,241 megawatts (MW), eclipsing the all-time Sunday record of 10,866 MW set August 14, 2005.

<http://www.coned.com/newsroom/news/pr20130707.asp>

<http://www.coned.com/newsroom/news/pr20130706.asp>

## **Transformer Failure, Repairs Cut Power to Nearly 25,000 Customers in Cape Cod, Massachusetts July 6**

NStar reported that nearly 25,000 of its customers were without power across Cape Cod Saturday evening due to a transformer failure at a Barnstable substation. The initial outage only affected about 10,000 customers but a common repair method is to shut power down and restore it once the work is done, leaving nearly 15,000 additional customers without power. By 10 p.m. Saturday night, power was returned to nearly all customers.

[http://barnstable-hyannis.patch.com/groups/breaking-news/p/update-outages-spread-more-than-20000-without-power-on-cape\\_cd99905f](http://barnstable-hyannis.patch.com/groups/breaking-news/p/update-outages-spread-more-than-20000-without-power-on-cape_cd99905f)

<http://www.capecodonline.com/apps/pbcs.dll/article?AID=/20130707/NEWS/130709768>

## **Entergy's 1,006 MW Indian Point Nuclear Unit 2 in New York Reduced to 25 Percent to Repair Feedwater Regulator Valve by July 8**

Entergy said workers were repairing a main feedwater regulator valve Monday and did not state when the unit would return to full power. On the morning of July 7 the unit was operating at 80 percent, according to the Nuclear Regulatory Commission.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2013/>

## **Constellation's 630 MW Nine Mile Point Nuclear Unit 1 in New York Shut for Valve Work July 8**

On the morning of July 7 the unit was operating at full power according to the Nuclear Regulatory Commission before being taken offline for planned valve work Monday. A company spokesperson did not say when the unit would return to service.

Reuters 09:36, July 8, 2013

## **Entergy's 620 MW Vermont Yankee Nuclear Unit in Vermont Reduced to 53 Percent for Turbine Valve Testing and Rod Pattern Adjustment July 8**

Entergy reduced its Yankee nuclear unit to 53 percent for turbine valve testing and rod pattern adjustment according to a Nuclear Regulatory spokesperson. On the morning of July 7 the unit was operating at full power.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2013/>

## **Update: Exelon's 1,154 MW Braidwood Nuclear Unit 2 in Illinois at Full Power July 7 After Work on Water Pumps**

Operators at Exelon's Braidwood Generating Station returned Unit 2 to full power at approximately 11:30 a.m. CT on Sunday, July 7. The unit was returned to service on Friday, July 5, following planned maintenance on a pair of water pumps. This type of maintenance can only be performed when the unit is not operating.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2013/>

## **Update: APS's 1,243 MW Palo Verde Nuclear Unit 1 in Arizona at Full Power by July 6**

The unit returned to full power after being reduced July 2 due to a minor explosion on the non-nuclear side of the plant. On the morning of July 5 the unit was operating at 58 percent according to the Nuclear Regulatory Commission.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2013/>

## **Inland Empire Energy Center's 366 MW Inland Empire Natural Gas-Fired Unit 2 in California Reduced by July 6**

The unit entered an unplanned curtailment of 196 MW.

<http://content.aiso.com/unitstatus/data/unitstatus201307061515.html>

## **Update: NRG's 775 MW Ormond Beach Natural Gas-Fired Unit 2 in California Returns to Service by July 5**

The unit returned from an unplanned curtailment of 525 MW that began by July 4.

<http://content.aiso.com/unitstatus/data/unitstatus201307051515.html>

### **Hydrogen Plant Returns to Service at Phillips 66's 76,000 b/d Rodeo, California Refinery by July 7**

An upset in the supply of hydrogen triggered an unscheduled unit shutdown at the Phillips 66 76,000 b/d refinery in Rodeo, California, setting off flaring and prompting complaints from plant neighbors, according to a filing July 5. <http://www.bloomberg.com/news/2013-07-08/top-oil-market-news-wti-crude-advances-to-highest-in-14-months.html>

### **Unspecified Breakdown Leads to Flaring at ExxonMobil's 149,500 b/d Torrance, California Refinery July 8**

ExxonMobil Corp. reported unplanned flaring at its Torrance refinery early this morning was due to an unspecified breakdown, according to a filing with the South Coast Air Quality Management District Reuters, 08:07 July 8, 2013

### **SRU, Tail Gas Incinerator Snag Causes Emissions at Valero's 310,000 b/d Port Arthur, Texas Refinery July 7**

Valero reported emissions at its Port Arthur refinery Sunday morning were caused by a sulfur recovery unit (SRU) tail gas incinerator (TGI) "excursion," according to a filing with the Texas Commission on Environmental Quality. The event caused emissions from the shell claus off-gas treating (SCOT) 1 TGI, SRU No. 543, and SRU No. 544. <http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=185192> [http://www.nrc.uscg.mil/reports/rwservlet?standard\\_web+inc\\_seq=1052957](http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1052957)

### **Process Upset Causes Emissions at Phillips 66's 146,000 b/d Borger, Texas Refinery July 7**

Phillips 66 reported emissions at its Borger refinery Sunday night were due to an unspecified process upset, according to a filing with the Texas Commission on Environmental Quality. <http://www11.tceq.state.tx.us/oce/eeer/index.cfm?fuseaction=main.getDetails&target=185191>

### **Lightning Strike Sets Oil Storage Tank on Fire in Central Montana July 7**

The Roundup Department of Emergencies reported that lightning hit an oil storage tank north of Roundup around 8:00 p.m. local time Sunday evening, setting the tank on fire. Fire crews were working to contain the fire. <http://www.ktvq.com/news/severe-weather-causes-oil-storage-tank-fire-north-of-roundup/> <https://www.facebook.com/pages/Roundup-DES/204682122906359>

## **Natural Gas**

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### **GAO: Guidance, More Information Needed for Natural Gas Pipeline Safety Before Congress Allows Risk-Based Reassessment Intervals**

The U.S. Government Accountability Office (GAO) on June 27 released a report that examines the results of mandated baseline assessment and reassessments for natural gas pipelines. The Pipeline Safety Improvement Act of 2002 required gas transmission pipeline operators to assess the integrity of their pipeline segments in "high consequence areas"—highly populated or frequented areas—by December 2012 and reassess them at least every 7 years. In 2011 GAO was directed to examine the results of these assessments and the potential impact of making the current process more risk-based. The U.S. Pipeline and Hazardous Materials Safety Administration (PHMSA) and GAO have supported the concept of risk-based reassessment intervals beyond 7 years, but cautioned that a change to the current program would require congressional action and would add significantly to the administration's workload. PHMSA, which already finds itself with staffing and funding challenges. "Given these potential challenges, more information might help decision-makers better understand the resource requirements needed in allowing risk-based reassessment intervals beyond 7 years," the GAO report said.

<http://www.gao.gov/products/GAO-13-577>  
[http://www.downstreamtoday.com/news/article.aspx?a\\_id=39998](http://www.downstreamtoday.com/news/article.aspx?a_id=39998)

## **PG&E Says Faulty Transformer Behind Basement Fire in California July 6; Incident Leads Officials to Natural Gas Leak Nearby**

A fire that started early Saturday morning in the basement of a JC Penney building in downtown Fresno may have averted a gas explosion, officials said. Firefighters responding to the fire smelled natural gas and notified Pacific Gas & Electric (PG&E). Utility crews traced the gas leak to a service valve in a restaurant not connected to the JC Penney building, which is unoccupied. The evacuation and lockdown of the four-block area were ordered as a precaution. Officials said the fire and gas leak appeared to be unrelated. PG&E believes the basement fire was started by a faulty transformer, but fire officials said there was evidence of transients in the building who may have been burning plastic insulation off wires in search of scrap metal.

<http://www.fresnobee.com/2013/07/06/3377054/fire-uncovers-hidden-gas-leak.html>

## **Explosion at Antero Resources' West Virginia Natural Gas Well Site Injures Five July 7**

State and federal authorities are investigating an explosion over the weekend at Antero Resources' natural gas well site in West Virginia that injured at least five people. A spark triggered a flash explosion and a fire after a problem during the "flow back" process when drilling fluids are pumped into storage tanks, according to emergency services in Doddridge County. The "flow back" process is necessary after hydraulic fracturing, or fracking. Two storage tanks containing brine and fracking fluid from the well exploded at 4 a.m. local time on Sunday. A containment system around the well site kept the tank fluids from flooding into the nearby area.

Reuters, 13:08, July 8, 2013

## **BLM Approves Mid-America's Western Expansion Pipeline III Project to Expand NGL-Transport Service from New Mexico to Mont Belvieu, Texas**

The U.S. Bureau of Land Management (BLM) has completed an Environmental Assessment evaluating a right-of-way application from Mid-America Pipeline Company, LLC (MAPL) for the construction, operation, maintenance, and abandonment of about 234 miles of natural gas pipeline known as the Western Expansion Pipeline III Project (WEP III). The BLM has decided to approve the project, which will transport natural gas liquid (NGL) products from northwestern New Mexico to Hobbs, New Mexico, and ultimately to markets in Mont Belvieu, Texas. The proposed pipeline will be comprised of a series of six loop segments and will follow an existing pipeline corridor. With production increasing in the San Juan Basin and in the Rocky Mountains, MAPL existing system is nearing capacity at about 275,000 b/d, but more wells are going into production in New Mexico, Wyoming, Utah, and Colorado. With the new pipeline through New Mexico, MAPL said its capacity would be boosted to about 350,000 b/d. MAPL estimates construction could begin as early as summer 2013 and will take approximately 6 to 9 months to complete.

[www.blm.gov/nm/westernexpansionpipeline](http://www.blm.gov/nm/westernexpansionpipeline)

[http://www.elpasotimes.com/texas/ci\\_23604968/blm-approves-nm-natural-gas-pipeline-project](http://www.elpasotimes.com/texas/ci_23604968/blm-approves-nm-natural-gas-pipeline-project)

## **Turbine Shutdown Causes Flaring at DCP Midstream's 160 MMcf/d Goldsmith Gas Plant in Texas July 6**

DCP Midstream reported that the B Turbine at its Goldsmith plant shut down due to a fuel relay de-energized alarm Saturday evening, causing flaring, according to a filing with the Texas Commission on Environmental Quality.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=185190>

## **Several Unit Shutdowns Cause Emissions at Southern Union's 140 MMcf/d Keystone Gas Plant in Texas July 5-6**

Southern Union Gas Services reported several unit shutdowns at its Keystone plant on Friday and Saturday in emissions filings with the Texas Commission on Environmental Quality. Friday morning, an expander shut unexpectedly, knocking out all the re-compressors and Unit 23. Also, a field unit went down during pigging activities. Late Friday, the plant lost a re-boiler for high fuel pressure when the expander and re-compressors went down. Losing the re-boiler shut all acid gas flow to the sulfur recovery unit, forcing operators to flare material until the re-boiler returned to service. On Sunday several field units went down for panel issues and for hot valves.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=185184>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=185186>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=185187>

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=185195>

## Other News

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Nothing to report.

## International News

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### Update: Libya Oil Ports to Reopen July 8 after Forced Shutdowns

Es Sider, Libya's main crude oil export terminal, and Ras Lanuf port are set to reopen after being shut down Thursday by security guards demanding better work conditions. Ras Lanuf is a large complex in eastern Libya that includes Libya's largest refinery and a separate port. Es Sider exports light sweet Es Sider crude oil produced by the Waha consortium, which has a capacity of around 350,000 b/d.

<http://www.maritime-executive.com/article/Two-Libya-Oil-Ports-to-Reopen-After-Forced-Shutdowns-2013-07-08/>

### Oil Flow on Iraq's Kirkuk-Ceyhan Pipeline to Resume in 2-3 days

A pipeline leak caused a disruption in the flow of crude from Kirkuk in Iraq to the port of Ceyhan in Turkey. Pumping through the pipeline has been suspended since June 21 because of a leak in the Ain al-Jahsh area, northwest of Baghdad and is due to resume in 2-3 days.

<http://uk.reuters.com/article/2013/07/08/ab-iraq-oil-pipeline-idUKL6N0FE1G220130708>

[http://www.tradearabia.com/news/OGN\\_239278.html](http://www.tradearabia.com/news/OGN_239278.html)

## Energy Prices

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U.S. Oil and Gas Prices July 8, 2013			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	102.96	97.68	84.45
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	3.52	3.73	2.94

Source: Reuters

## Links

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***This Week in Petroleum*** from the U.S. Energy Information Administration (EIA)

<http://www.eia.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

***Weekly Petroleum Status Report*** from EIA

[http://www.eia.gov/oil\\_gas/petroleum/data\\_publications/weekly\\_petroleum\\_status\\_report/wpsr.html](http://www.eia.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html)

Updated after 10:30 AM & 1:00 PM ET every Wednesday.

***Natural Gas Weekly Update*** from EIA

<http://www.eia.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM ET every Thursday.

## ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/ead.aspx>

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